

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7738

BILL NUMBER: SB 298

DATE PREPARED: Jan 19, 2001

BILL AMENDED: Jan 18, 2001

SUBJECT: Courts and Court Officers.

FISCAL ANALYST: Mark Goodpaster

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

- (A) It requires the state to pay the full salary of 17 full-time juvenile magistrates who are currently paid partly from state funds and partly from county funds.
- (B) It establishes a superior court in Howard County and in DeKalb County.
- (C) It eliminates the small claims referee in the DeKalb superior court.
- (D) It allows the judges of the LaPorte circuit court and the LaPorte superior courts by majority vote to appoint one magistrate to serve the courts.
- (E) It authorizes Henry superior court No. 2 to appoint a small claims referee.
- (F) It corrects a technical error to bring the law governing the Elkhart circuit court into conformity with provisions of the law governing the Elkhart superior court that state the number of magistrates jointly appointed by the Elkhart circuit and superior courts.
- (G) It establishes a late payment fee for the late payment of fines, civil penalties, and costs. Makes related changes. (The introduced version of this bill was prepared by the Commission on Courts.)

Effective Date: July 1, 2001.

Explanation of State Expenditures: *(Revised) This bill results in total added costs of \$1,123,753 in FY 2002 and years thereafter.*

A. State Payment of Juvenile Court Magistrates	\$778,634
B. New Courts in Howard and DeKalb	\$260,354
C. Eliminate Small Claims Referee in DeKalb County	(\$10,000)
D. New Magistrate in Laporte County	<u>\$94,765</u>
Total Costs	<u>\$1,123,753</u>

Provision A: Under current law, the salary of juvenile magistrates is paid by both the county and the state. Currently, the county pays \$41,393 of the \$72,000 salary. Under this bill, the state would pay the entire salary of these juvenile magistrates. The following shows the additional costs to pick up the local share:

County Share of Juvenile Court Magistrate Salary		\$41,393
Employee Share of Public Employees Retirement Fund	+	\$1,242
County Share of Social Security Payments	+	<u>\$3,167</u>
Total Cost for Each Magistrate:		\$45,802
Number of Magistrates	x	<u>17</u>
Added Expenditures for the State		<u>\$778,634</u>

Provision B: Each new court would cost the state an estimated \$130,177. Consequently, these two additional courts would cost the state a total of **\$260,354**. The added costs to the state for each court is shown below:

Salary	Specified in statute	\$90,000
Health, Dental and Vision	Estimated by the State Budget Agency	\$6,033
Social Security	7.65% of salary	\$6,885
Disability and Life Insurance	2.51% of salary estimated by State Budget Agency	\$2,259
Judges Retirement Fund	Based on actuarial projections	\$24,000
Judicial Center	Includes materials and postage but not possible staffing	<u>\$1,000</u>
Total Costs:		<u>\$130,177</u>

Provision C: Under current law, the State General Fund pays \$10,000 of the annual salary of a small claims referee in DeKalb County. This portion of the statute will be repealed, **reducing the cost to the state by \$10,000**.

Provision D would add a magistrate to Laporte County's court system. The added costs of a magistrate are **\$94,765** and include:

Salary	\$72,000
Life Insurance	\$2,952
Social Security	\$5,508
PERF	\$5,760
Disability Insurance	\$1,512
Costs for Judicial Center	\$1,000
Health Dental Vision	<u>\$6,033</u>
Total Cost Per Magistrate	<u>\$94,765</u>

Provision F: There will be no additional expenditures due to these provisions since no new magistrates would be added for Elkhart County.

Explanation of State Revenues:

Explanation of Local Expenditures: *This bill results in reduced expenditures of \$383,760 in CY 2001 and*

\$767,520 in CY 2002 and years thereafter.

	<u>CY 2001</u>	<u>CY 2002</u>
A. State Payment of Juvenile Court Magistrates	\$378,760	\$757,520
C. Eliminate Small Claims Referee in DeKalb County	<u>\$5,000</u>	<u>\$10,000</u>
Total Savings	<u>\$383,760</u>	<u>\$767,520</u>

Provision A: Eight counties in Indiana employ 17 juvenile court magistrates. Expenditures for these counties would be reduced by ***\$757,520*** annually based on the following calculation:

County Share of Juvenile Court Magistrate Salary	\$41,393
County Share of Social Security Payments	+ <u>\$3,167</u>
Total Cost for Each Magistrate:	\$44,560
Number of Magistrates	x <u>17</u>
Annual Savings to Counties	<u>\$757,520</u>

These counties (and the number of juvenile court magistrates that they have) include: Lake (4), Marion (4), Allen (3), Vigo (1), Porter(1), Elkhart (1), Vanderburgh (1), Johnson (1), and St. Joseph (1).

Provision B: DeKalb would no longer need to pay ***\$10,000*** annually for a small claims referee. Both DeKalb and Howard Counties may incur additional costs for new staff, particularly for a bailiff, clerical staff, and court reporter.

The added costs from *Provision E* will depend on the salary that Henry County would pay the small claims referee and any court space and staff that it needs.

Explanation of Local Revenues: *Provision G* could add more revenue for local general funds if courts are permitted to assess a \$25 late payment fee. This fee would be assessed for any court fees, fines, or civil penalties if a defendant fails to pay in full any outstanding debts by a date certain as specified by court order. The added revenues from this fee are indeterminable and will depend on how often defendants fail to pay fees, fines and penalties on time.

State Agencies Affected: Indiana Judicial Center.

Local Agencies Affected: Courts.

Information Sources: Division of State Court Administration, Indiana Supreme Court.